

Understanding the IRA

Greenhouse Gas Reduction Fund

The Greenhouse Gas Reduction Fund can help achieve essential climate emission reductions, advance environmental justice, and create climate and clean energy jobs, making this fund an important part of a fair and equitable transition to a clean economy.¹

The Inflation Reduction Act established the Greenhouse Gas Reduction Fund, a critical program administered by the EPA that will invest \$27 billion directly into financing projects like home retrofits, renewable energy development, clean manufacturing, and transportation to reduce pollution while supporting healthier communities and family-sustaining jobs.²

Funds from this program—the first federal program of its kind—will be distributed from EPA to green banks and other nonprofit lending institutions around the country, as well as state, local, and Tribal governments. Community groups, states, Tribes, local governments, and their financing partners also will be able to apply directly to green banks for low-cost loans and grants to support projects that reduce greenhouse gasses and other pollution.³

What's included in the Greenhouse Gas Reduction Fund?

The Greenhouse Gas Reduction Fund is a wide-ranging fund that includes two specific programs:⁴

1. \$7 billion for the **Zero-Emissions Technology Deployment Program** to ensure that low-income and disadvantaged communities can establish or benefit from technologies that reduce emissions.
2. \$20 billion for the General Assistance & Low-Income & Disadvantaged Communities Grant Program to fund non-profit entities that provide financial and technical assistance to projects dedicated to reducing or avoiding greenhouse gasses and other air pollution.
 - \$8 billion of the General Assistance & Low-Income & Disadvantaged Communities Grant Program is earmarked explicitly to fund projects dedicated to reducing or avoiding greenhouse gas emissions and other air pollution in low-income and disadvantaged communities.

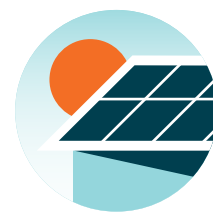
The fund also includes an additional \$30 million to cover administrative costs.

EPA anticipates announcing details about the funding opportunity in early Summer 2023 and the agency will begin distributing funds in 2024.⁴ This program is designed to be self sustaining, so projects can continue to receive funding from green banks long after EPA initially distributes the funds.

Zero-Emissions Technology Deployment Program

The Zero-Emissions Technology Deployment Program will provide funding to non-profit lending institutions like green banks, as well as state governments, Tribal governments, and localities, to finance projects using technologies that produce zero greenhouse gas emissions.

This \$7 billion program is dedicated to projects in low income and disadvantaged communities, and will prioritize residential and community solar projects, as well as storage technologies and upgrades related to these projects.



Green Financing Program

The Green Financing program funds eligible non-profit lending institutions like green banks that will provide financial and technical assistance to climate and clean energy projects that work to reduce emissions. The program requires \$8 billion of its \$20 billion to be spent exclusively on projects in low-income and disadvantaged communities.



Advancing Environmental Justice

A key highlight of the program is the Greenhouse Gas Reduction Fund's dedication to environmental justice by setting aside at least 40% of the total funding (about \$15 billion) for low-income and disadvantaged communities that disproportionately carry the impacts of the climate crisis.

The Greenhouse Gas Reduction Fund is a critical and necessary program as we transition to a clean economy and continue fighting to reduce greenhouse gas emissions, especially in frontline communities.



How to Take Advantage of the Greenhouse Gas Reduction Fund

The Greenhouse Gas Reduction Fund is flexible and offers many options for funding opportunities. Groups interested in applying for funding can review EPA's Notice of Funding Opportunity for each program, expected in early Summer 2023, for more details as to eligible projects and begin preparing project proposals. Interested groups can also reach out to any [existing local or state green banks](#), as well as their state, local, or Tribal governments to ask to be informed what types of projects they expect to fund through this program, when new funding will be available, and what the application requirements will be.

More information about the Greenhouse Gas Reduction Fund is also available on [EPA's website](#).

- 1 Senate deal could 'supercharge' local climate investment
- 2 Greenhouse Gas Reduction Fund
- 3 Biden-Harris Administration Seeks Public Input on Inflation Reduction Act's Greenhouse Gas Reduction Fund
- 4 Senate deal could 'supercharge' local climate investment

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